

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

PARTS.COM, LLC,

Plaintiff,

vs.

GOOGLE INC.,

Defendant.

CASE NO. 13-CV-1074 JLS (WMc)

**ORDER GRANTING  
DEFENDANT'S MOTION TO  
DISMISS**

(ECF No. 9)

Presently before the Court is Defendant Google Inc.'s ("Defendant," or "Google") Motion to Dismiss ("MTD") Plaintiff Parts.com, LLC's ("Plaintiff," or "Parts.com") Complaint. (ECF No. 9.) Also before the Court are Plaintiff's Response in Opposition to (ECF No. 11) and Defendant's Reply in Support of (ECF No. 12) the Motion. The hearing set for the Motion on September 26, 2013 was vacated, and the matter taken under submission on the papers without oral argument pursuant to Civil Local Rule 7.1.d.1. (ECF No. 13.) Having considered the parties' arguments and the law, the Court **GRANTS** Defendant's MTD and **DISMISSES** Plaintiff's Complaint.

**BACKGROUND**

Plaintiff is an online retailer of automotive parts that has been in operation since January 2002. (Compl. ¶ 8, ECF No. 1.) Parts.com lists and sells automotive parts using the trademark "Parts.com." (*Id.*) The Parts.com mark was registered on September 16, 2008, to Intelligentz Corporation, which subsequently assigned the mark

1 to Parts.com on February 24, 2012. (*Id.* ¶ 7.) Parts.com describes itself as the “source  
2 of over 20 million automotive replacement parts, accessories, catalogues and related  
3 automotive materials and equipment for over 40 automobile manufacturers worldwide.”  
4 (*Id.*)

5 Defendant is an Internet search engine provider. (*Id.* ¶ 9.) As part of its business,  
6 Defendant sells “keyword triggers”—search terms that trigger the display of sponsored  
7 links—to businesses wishing to advertise on Defendant’s search engine. (*Id.* ¶ 11.)  
8 Defendant displays these sponsored links alongside “organic results”—links that are a  
9 result of Defendant’s search engine algorithm rather than the payment of an advertising  
10 premium. (*Id.* ¶ 11.)

11 The search query “parts.com” on Defendant’s search engine yields a lengthy list  
12 of results, many of which are unrelated to Plaintiff’s website. (*Id.*, Ex. B.) In the  
13 section of the search results page labeled “Ads,” two links are displayed with the  
14 heading “Parts.com,” neither of which direct to Plaintiff’s website. (*Id.*, Ex. B.)

15 Plaintiff discovered Defendant’s alleged use of its mark in or around 2007. (*Id.*  
16 ¶ 27.) On November 20, 2007, Plaintiff sent Defendant a cease-and-desist letter. (*Id.*)  
17 Defendant did not respond. (*Id.*) Plaintiff sent Defendant a subsequent e-mail on  
18 December 28, 2007. (*Id.* ¶ 28.) On January 2, 2008, Defendant responded, suggesting  
19 that Plaintiff register its mark. (*Id.*) Defendant purportedly “never ceased unauthorized  
20 use of the parts.com sponsored links.” (*Id.* ¶ 27.) Plaintiff claims to have lost “at least  
21 \$2 million per year” because of Defendant’s alleged infringement. (*Id.* ¶ 34.)

22 As a result, Plaintiff asserts the following six claims against Defendant: (1)  
23 federal trademark infringement, (2) federal false designation of origin and unfair  
24 competition, (3) state trademark infringement and unfair competition, (4) state unfair  
25 and deceptive trade practices, (5) federal trademark dilution, and (6) state trademark  
26 dilution and injury to business reputation.

## 27 LEGAL STANDARD

28 Federal Rule of Civil Procedure 12(b)(6) permits a party to raise by motion the

1 defense that the complaint “fail[s] to state a claim upon which relief can be granted,”  
2 generally referred to as a motion to dismiss. The Court evaluates whether a complaint  
3 states a cognizable legal theory and sufficient facts in light of Federal Rule of Civil  
4 Procedure 8(a), which requires a “short and plain statement of the claim showing that  
5 the pleader is entitled to relief.” Although Rule 8 “does not require ‘detailed factual  
6 allegations,’ . . . it [does] demand[] more than an unadorned, the-defendant-unlawfully-  
7 harmed-me accusation.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl.*  
8 *Corp. v. Twombly*, 550 U.S. 544, 555 (2007)). In other words, “a plaintiff’s obligation  
9 to provide the ‘grounds’ of his ‘entitle[ment] to relief’ requires more than labels and  
10 conclusions, and a formulaic recitation of the elements of a cause of action will not do.”  
11 *Twombly*, 550 U.S. at 555 (citing *Papasan v. Allain*, 478 U.S. 265, 286 (1986)). “Nor  
12 does a complaint suffice if it tenders ‘naked assertion[s]’ devoid of ‘further factual  
13 enhancement.’” *Iqbal*, 556 U.S. at 678 (citing *Twombly*, 550 U.S. at 557).

14 “To survive a motion to dismiss, a complaint must contain sufficient factual  
15 matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Id.*  
16 (quoting *Twombly*, 550 U.S. at 570); *see also* Fed. R. Civ. P. 12(b)(6). A claim is  
17 facially plausible when the facts pled “allow[] the court to draw the reasonable  
18 inference that the defendant is liable for the misconduct alleged.” *Id.* (citing *Twombly*,  
19 550 U.S. at 556). That is not to say that the claim must be probable, but there must be  
20 “more than a sheer possibility that a defendant has acted unlawfully.” *Id.* Facts  
21 “‘merely consistent with’ a defendant’s liability” fall short of a plausible entitlement to  
22 relief. *Id.* (quoting *Twombly*, 550 U.S. at 557). Further, the Court need not accept as  
23 true “legal conclusions” contained in the complaint. *Id.* This review requires context-  
24 specific analysis involving the Court’s “judicial experience and common sense.” *Id.* at  
25 679 (citation omitted). “[W]here the well-pleaded facts do not permit the court to infer  
26 more than the mere possibility of misconduct, the complaint has alleged—but it has not  
27 ‘show[n]’—‘that the pleader is entitled to relief.’” *Id.*

28 Where a motion to dismiss is granted, “leave to amend should be granted ‘unless

the court determines that the allegation of other facts consistent with the challenged pleading could not possibly cure the deficiency.’” *DeSoto v. Yellow Freight Sys., Inc.*, 957 F.2d 655, 658 (9th Cir. 1992) (quoting *Schreiber Distrib. Co. v. Serv-Well Furniture Co.*, 806 F.2d 1393, 1401 (9th Cir. 1986)). In other words, where leave to amend would be futile, the Court may deny leave to amend.

## DISCUSSION

Defendant presents two arguments in support of its MTD. First, Defendant contends that all six of Plaintiff’s claims are barred by laches. Second, Defendant asserts that Plaintiff’s state law claims are preempted by the Communications Decency Act. The Court addresses each of these arguments in turn.

### **I. Laches as an Affirmative Defense to Trademark Causes of Action**

“Laches is an equitable time limitation on a party’s right to bring suit.” *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 835 (9th Cir. 2002) (quoting *Boone v. Mech. Specialties Co.*, 609 F.2d 956, 958 (9th Cir. 1979)) (internal quotation marks omitted). A defendant seeking to assert the defense of laches must prove that (1) the plaintiff unreasonably delayed in filing suit, and (2) the defendant was prejudiced as a result. *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 951 (9th Cir. 2001). Although laches is an equitable defense, it is “well established that laches is a valid defense to Lanham Act claims for both monetary damages and injunctive relief.” *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006) (citations omitted). Laches can bar not only federal Lanham Act claims, but state law trademark and unfair competition claims as well. *See, e.g., Jarrow*, 304 F.3d at 842–43.

#### **A. Asserting Laches at the Dismissal Stage**

Plaintiff asserts that a laches defense is improper at the dismissal stage. (Resp. in Opp’n 8–9, ECF No. 11.) Although it is true that some courts will not grant dismissal or summary judgment on the basis of laches—*see e.g., Country Floors, Inc. v. P’ship Composed of Gepner & Ford*, 930 F.2d 1056 (3d Cir. 1991) (summary judgment stage); *Carell v. Shubert Org., Inc.*, 104 F. Supp. 2d 236 (S.D.N.Y. 2000)

(dismissal stage)—the Ninth Circuit’s position is not as clear. Although *Jarrow* certainly stands for the proposition that a grant of *summary judgment* on the basis of laches can be proper, it is less clear whether laches is also appropriate at the dismissal stage. 304 F.3d at 843.

Some courts within this Circuit have at least entertained, if not granted, dismissals premised on laches. *See, e.g., Thermolife Int’l, LLC v. Gaspari Nutrition, Inc.*, 871 F. Supp. 2d 905, 909–11 (D. Ariz. 2012) (considering but denying dismissal on basis of laches due to lack of unreasonable delay); *Aristocrat Techs., Inc. v. High Impact Design & Entm’t*, No. 2:07-CV-01033-BES-LRL, 2009 WL 1911464, at \*3–4 (D. Nev. June 23, 2009) (considering but denying dismissal on basis of laches due to lack of prejudice from delay). At the same time, many opinions advise against applying laches at the dismissal stage. *See, e.g., Couveau v. Am. Airlines, Inc.*, 218 F.3d 1078, 1083 (9th Cir. 2000); *Italia Marittima, S.P.A. v. Seaside Transp. Servs., LLC*, No. C 10-0803 PJH, 2010 WL 3504834, at \*6 (N.D. Cal. Sept. 7, 2010). Accordingly, while this Court does not conclude that laches is improper *per se* on a motion to dismiss, the Court is mindful that laches generally “is ill-suited for a motion to dismiss for failure to state a claim.” *Italia Marittima*, 2010 WL 3504834, at \*6.

#### **B. The Presumption of Laches**

Defendant argues that laches bars Plaintiff’s Complaint in its entirety. (MTD 24, ECF No. 9-1.) “[I]f suit is filed outside of the analogous [statute of] limitations period, courts often have presumed that laches is applicable.” *Jarrow*, 304 F.3d at 836 (citations omitted). Because the Lanham Act does not legislate a limitations period, the Ninth Circuit presumes that laches bars a claim when the plaintiff files the suit outside of the “analogous state limitations period.” *Id.* at 836–37 (citations omitted). This limitations period starts running as soon as the plaintiff “knew or should have known about its potential cause of action.” *Id.* at 838. Regardless of whether this presumption applies, courts still analyze the facts to determine whether there was an unreasonable delay and whether the defendant was prejudiced. *See id.* at 838–40.

1 The limitations period both for Plaintiff's California trademark infringement  
2 claim and trademark dilution claim is four years. *Miller*, 318 F. Supp. 2d at 942 & n.11  
3 (citing Cal. Code. Civ. Proc. §§ 337, 343). That same limitations period applies to  
4 Plaintiff's federal trademark infringement and dilution claims. *See id.* The statute of  
5 limitations for Plaintiff's California unfair and deceptive trade practices claim is also  
6 four years. *See* Cal. Bus. & Prof. Code § 17208. Lastly, the court in *Jarrow* found that  
7 California's three-year limitations period for fraud applied to a federal false advertising  
8 claim brought pursuant to § 43(a)(1)(B) of the Lanham Act. *See Jarrow*, 304 F.3d at  
9 838 (citations omitted); Cal. Civ. Proc. Code § 338(d). A federal false advertising claim  
10 is sufficiently analogous to a § 43(a)(1)(A) federal false designation of origin claim to  
11 justify applying the same three-year limitations period here. Accordingly, all of  
12 Plaintiff's claims are subject to either a three- or four-year statute of limitations.

13 Defendant argues that Plaintiff's limitations period began running in November  
14 2007, when Defendant received Plaintiff's cease-and-desist letter. (Compl. ¶ 27, ECF  
15 No. 1; MTD 11, ECF No. 9-1.) Plaintiff impliedly counters that the limitations period  
16 stopped running when Defendant "stopped infringing shortly after January 2, 2008,"  
17 only to resume infringement "after some waiting period." (Resp. in Opp'n 9, ECF No.  
18 11.) As Defendant points out, however, Plaintiff fails to allege this "stop and restart"  
19 infringement strategy in the Complaint, and thus it is not properly raised here. *See*  
20 *Jappa v. California*, No. 08cv1813 WQH (PQR), 2009 WL 69312, at \*3 (S.D. Cal. Jan.  
21 8, 2009) (quoting *Pension Benefit Guar. Corp. v. White Consol. Indus.*, 998 F.2d 1192,  
22 1196 (9th Cir. 1993)); *see also* Reply 6–7, ECF No. 12. Further, Plaintiff's Complaint  
23 actually alleges the opposite of a "stop and restart" theory, as Plaintiff states that it  
24 knew of Defendant's use of the Parts.com mark on November 20, 2007, and that  
25 Defendant "never ceased unauthorized use of the parts.com sponsored links." (Compl.  
26 ¶ 27, ECF No. 1 (emphasis added).) Accordingly, based on the facts alleged in the  
27 Complaint, the Court concludes that the limitations period for Plaintiff's claims began  
28 running on November 20, 2007. Plaintiff filed its Complaint on May 6, 2013. This



1 filing date marks more than five and one-half years after the date on which the  
2 limitations period began to run. Because all of the limitations periods for Plaintiff's  
3 various claims are at most four years, Plaintiff's delay activates the laches presumption.  
4 *See Jarrow*, 304 F.3d at 838.

5 Plaintiff, however, contends that Defendant's infringement is willful, rendering  
6 laches inapplicable. (Resp. in Opp'n 9–10, ECF No. 11.) Plaintiff argues that  
7 Defendant's infringement is willful because Defendant received notice that it was using  
8 Plaintiff's mark, briefly stopped its infringement, and then resumed using the Parts.com  
9 mark. (*Id.*) As already explained, however, this "stop and restart" theory is not alleged  
10 in the Complaint and accordingly cannot support a finding of willful infringement. But,  
11 even if this argument were properly before this Court, the mere fact that Defendant  
12 received a cease-and-desist letter and failed to stop its alleged infringement is not  
13 sufficient proof of willfulness. If this were the state of the law, even those who  
14 continued to use a mark in good faith after receiving a cease-and-desist letter would be  
15 precluded from asserting laches. Then defendants might be forced to halt certain  
16 business activities during litigation of infringement issues, potentially at great cost, even  
17 if the claims were without much merit. Such a position is untenable. Accordingly, the  
18 Court finds that Plaintiff's willful infringement argument does not preclude Defendant's  
19 laches defense.

### 20 **C. *The Jarrow Two-Prong Test***

21 Having determined that the presumption of laches applies, the Court now turns  
22 to whether (1) Plaintiff unreasonably delayed filing suit, and (2) Defendant suffered  
23 prejudice as a result. *Danjaq*, 263 F.3d at 951. These two elements operate on a sliding  
24 scale: if the delay is short, the amount of prejudice required is great, but if the delay is  
25 long, "prejudice is more likely to have occurred and less proof of prejudice will be  
26 required." *Miller*, 454 F.3d at 1000 (citation omitted).

#### 27 *i. Unreasonable Delay*

28 In evaluating the reasonableness of a markholder's delay in bringing suit, courts

1 examine the length of the delay beyond the limitations period and whether “plaintiff has  
2 proffered a legitimate excuse for its delay.” *See Jarro*, 304 F.3d at 838 (citing  
3 *Danjaq*, 263 F.3d at 954–55. Because the Court has found that the limitations periods  
4 applicable to Plaintiff’s claims are at most four years, and because the Court has found  
5 that these statutes of limitations began running approximately five and one-half years  
6 ago, each of Plaintiff’s claims is at least a year and one-half beyond its applicable  
7 limitations period. Plaintiff proffers its “stop and restart” theory as an excuse for this  
8 significant delay. (Resp. in Opp’n 9, ECF No. 11.) Again, however, this excuse is  
9 inapplicable because it is not alleged in the Complaint. In fact, because the Complaint  
10 alleges that Defendant “never ceased unauthorized use of the parts.com sponsored  
11 links,” Plaintiff had a more than sufficient opportunity to file its claims within the  
12 limitations period. (Compl. ¶ 27, ECF No. 1.) Accordingly, the Court finds Plaintiff’s  
13 delay to be unreasonable. *See Grupo Gigante S.A. de C.V. v. Dallo & Co., Inc.*, 391  
14 F.3d 1088, 1102–03 (9th Cir. 2004) (finding a four-year delay in filing suit  
15 unreasonable).

16 *ii. Prejudice*

17 The Ninth Circuit primarily recognizes two types of prejudice in the laches  
18 analysis: evidentiary and expectations-based. *Danjaq*, 263 F.3d at 955. Either kind of  
19 prejudice is sufficient to satisfy this requirement. *Id.* Despite the laches presumption,  
20 Defendant retains the burden of proving prejudice. *See, e.g., Internet Specialties W.,*  
21 *Inc. v. Milon-DiGiorgio Enters., Inc.*, 559 F.3d 985, 991 (9th Cir. 2009).

22 *a. Evidentiary Prejudice*

23 Evidentiary prejudice encompasses concerns over “lost, stale, or degraded  
24 evidence, or witnesses whose memories have faded or who have died.” *Danjaq*, 263  
25 F.3d at 955 (citations omitted). Defendant argues that it will suffer evidentiary  
26 prejudice because (1) Plaintiff has already failed to produce a copy of the original,  
27 signed cease-and-desist letter; and (2) the dynamic nature of Defendant’s sponsored-  
28 link displays means that a significant amount of information may no longer be



1 available. (MTD21–22, ECF No. 9-1.) Defendant also argues that, if the lawsuit were  
2 to proceed beyond this motion, the prohibitive difficulty of conducting consumer  
3 surveys regarding brand recognition at the time of the initial alleged infringement in  
4 2007 would be prejudicial. (*Id.* at 22.)

5 If this were a motion for summary judgment rather than a motion to dismiss, the  
6 Court would find this argument compelling; however, this argument seems premature.  
7 It may be that either party would be able to produce a copy of the original, signed cease-  
8 and-desist letter if discovery proceeds. Similarly, it is hard to believe that  
9 Defendant—a top-tier Internet business whose very name has become synonymous with  
10 Internet searching—would not have detailed records about whether certain keywords  
11 were active or inactive during the relevant period of time.

12 The Court finds *ATM Express, Inc. v. ATM Express, Inc.*, cited by Defendant in  
13 support of its argument, distinguishable. No. 07cv1293-L(RBB), 2009 WL 2973034  
14 (S.D. Cal. Sept. 11, 2009). *ATM Express* involved a motion for summary judgment,  
15 and thus there was a more developed evidentiary record. Moreover, *ATM Express*  
16 involved a delay approximately twice as long as the delay at issue here. *See id.* at \*1,  
17 9. Thus, a strong basis for concern over “lost, stale, or degraded evidence, or witnesses  
18 whose memories have faded or who have died” existed in *ATM Express*. *Danjaq*, 263  
19 F.3d at 955 (citations omitted). It is hard to convince a court that one is prejudiced in  
20 this way, however, when the parties have hardly begun searching for evidence in the  
21 first place. Accordingly, at this time, the Court finds that Defendant has not  
22 satisfactorily proven evidentiary prejudice.

23 b. Expectations-Based Prejudice

24 Expectations-based prejudice exists if the defendant “took actions or suffered  
25 consequences that it would not have, had the plaintiff brought suit promptly.” *Danjaq*,  
26 263 F.3d at 955 (citations omitted). “A defendant may establish [such expectations-  
27 based] prejudice by showing that during the delay, it invested money to expand its  
28 business or entered into business transactions based on [its] presumed rights.” *Miller*,

1 454 F.3d at 999–1000 (citations omitted). Or, a defendant can establish this form of  
2 prejudice by showing that it may incur liability for damages as a result of entering into  
3 such business transactions during the delay. *Id.* at 1000.

4 Defendant argues that Plaintiff’s request for \$2 million in damages per year of  
5 infringement, trebled for willfulness—a potential liability of approximately \$36  
6 million—establishes expectations-based prejudice, because Plaintiff’s delay led  
7 Defendant to enter into allegedly infringing business transactions it would not have  
8 entered into had Plaintiff sued earlier, and because Defendant’s potential liability  
9 increased the longer Plaintiff waited to bring suit. (MTD 23–24, ECF No. 9-1.) The  
10 Court finds Defendant’s argument persuasive.

11 Mere expenditures during a filing delay are insufficient to establish expectations-  
12 based prejudice. *See, e.g., Internet Specialties W.*, 559 F.3d at 991–92; *Miller*, 454 F.3d  
13 at 1000. Increased potential liability resulting from a continuation of existing practices  
14 during that period, however, is sufficient. *See RSP Corp. v. Int’l Bus. Machs. Corp.*,  
15 No. 5:08-cv-3414 RMW, 2012 WL 3277136, at \* 15 (N.D. Cal. Aug. 9, 2012) (*citing*  
16 *Whittaker Corp. v. Execuair Corp.*, 736 F.2d 1341, 1347 (9th Cir. 1984);  
17 *ExperExchange, Inc. v. Doculex, Inc.*, No. 08-03875 JCS, 2009 WL 3837275 (N.D. Cal.  
18 Nov. 16, 2009)).

19 It is uncontested—and, indeed, the Complaint explicitly alleges—that Defendant  
20 continued to provide sponsored links that displayed, and were generated in response to,  
21 the Parts.com mark during Plaintiff’s filing delay. (Compl. ¶ 18, ECF No. 1.) Had  
22 Plaintiff brought suit earlier, Defendant would not be vulnerable to an additional annual  
23 liability of \$6 million. If the damages Plaintiff sought were a lump sum, the calculus  
24 likely would be different. But such is not the case. Because Plaintiff seeks a figure that  
25 increases over time, it would be inequitable to reward Plaintiff for dragging its heels.  
26 Accordingly, because Plaintiff’s unreasonable delay has increased Defendant’s potential  
27 liability, the Court finds that Defendant has experienced expectations-based prejudice  
28 as a result.

1 **D. The E-Systems Factors**

2 In addition to *Jarrow*'s two-prong test, the Ninth Circuit has articulated six  
3 factors to be weighed in deciding whether to apply laches: (1) the strength and value of  
4 the trademark rights asserted; (2) the senior user's diligence in enforcing its mark; (3)  
5 the extent of any harm to the senior user if relief is denied; (4) any good faith ignorance  
6 on the part of the junior user; (5) whether the senior and junior users are competitors;  
7 and (6) the extent of any harm suffered by the junior user because of the senior user's  
8 delay. *E-Systems, Inc. v. Monitek, Inc.*, 720 F.2d 604, 607 (9th Cir. 1983).

9 The Ninth Circuit has not fully explained how the older *E-Systems* factors fit with  
10 *Jarrow*'s framework, although some courts have folded the two inquiries together. *See*,  
11 *e.g.*, *Saul Zaentz Co. v. Wozniak Travel, Inc.*, 627 F. Supp. 2d 1096, 1113–14 (N.D. Cal.  
12 2008); *RSI Corp.*, 2012 WL 3277136, at \*16. Because laches is an equitable defense,  
13 the Court believes this thorough approach, attempting to weigh the equities, is  
14 worthwhile. This Court has already discussed the second factor (Plaintiff's diligence)  
15 and the sixth factor (the extent of the harm suffered by Defendant). *See id.* at 1114.  
16 Accordingly, the four remaining *E-Systems* factors are discussed below.

17 *i. First Factor: Strength and Value of the Trademark Rights Asserted*

18 Although both parties have spilled much ink debating whether Plaintiff's  
19 registered trademark is valid at all, the questions of strength and value are independent  
20 from that inquiry. *See Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638  
21 F.3d 1137, 1149–50 (9th Cir. 2011) (discussing "strength of mark" as factor in  
22 likelihood of confusion analysis without contesting validity of mark). The stronger the  
23 mark, the more this factor will favor the senior user. *See id.* at 1149 ("On balance, these  
24 considerations favor [defendant]. The [mark] is unquestionably valuable and strong,  
25 given [defendant's] rapid and continuing growth."); *E-Systems*, 720 F.2d at 607. Value  
26 is measured relative to the alleged infringer rather than the markholder. *Id.*

27 Although Plaintiff's mark may have acquired secondary meaning sufficient for  
28 registration, it is at most a descriptive mark, because Parts.com describes a website

1 where customers buy (car) parts. *See Entrepreneur Media, Inc. v. Smith*, 279 F.3d  
2 1135, 1141–42 (9th Cir. 2002) (quoting *Kendall-Jackson Winery, Ltd. v. E. & J. Gallo*  
3 *Winery*, 150 F.3d 1042, 1047 n.8 (9th Cir. 1998)) (citation and internal quotation marks  
4 omitted) (“Descriptive marks define qualities or characteristics of a product in a  
5 straightforward way that requires no exercise of the imagination to be understood.”).  
6 A descriptive mark “is inherently a weak mark.” *Id.* at 1144 (internal quotation marks  
7 and citation omitted). Moreover, Plaintiff’s Complaint is devoid of any allegations  
8 concerning the value of the Parts.com mark to Defendant. The Court assumes,  
9 however, that the mark’s value to a multi-billion dollar company like Google is slight,  
10 as the income from any relevant keyword trigger sales is likely negligible.  
11 Accordingly, because the mark is weak and likely of low value, this factor favors  
12 Defendant.

13 *ii. Third Factor: Harm to Parts.com if Relief is Denied*

14 Plaintiff claims that it “can demonstrate it has lost revenues from online sales of  
15 parts and accessories of at least \$2 million per year.” (Compl. ¶ 34, ECF No. 1.)  
16 Although no exhibits support this figure, a court must assume, on a motion to dismiss,  
17 the truth of all plausible facts alleged in the complaint and draw all reasonable  
18 inferences in the plaintiff’s favor. *See Doe v. United States*, 419 F.3d 1058, 1062 (9th  
19 Cir. 2005) (citation omitted). Because Parts.com’s business centers around the mark  
20 in question, the Court finds no reason to doubt this figure. Thus, this factor favors  
21 Plaintiff.

22 *iii. Fourth Factor: Google’s Good-Faith Ignorance*

23 Although Defendant contests whether its use of the Parts.com mark is infringing,  
24 the Complaint lacks allegations concerning what Defendant knew about the mark and  
25 its ownership status prior to receiving Plaintiff’s cease-and-desist letter. There is no  
26 evidence concerning how long Defendant used the Parts.com mark prior to hearing  
27 from Plaintiff in 2007, or whether Defendant knew about Parts.com when it began  
28 selling related keyword triggers. *See, e.g., Grupo Gigante*, 391 F.3d at 1104. And,

1 while Defendant allegedly continued using the mark after receiving Plaintiff's cease-  
2 and-desist letters, the Court has already found that this alone does not evidence bad  
3 faith. In light of the paucity of evidence as to this factor, the Court finds it to be neutral.

4 *iv. Fifth Factor: Competition Between Parts.com and Google*

5 Defendant is an online search engine and provider of other-Internet related  
6 functionalities and services. Plaintiff, on the other hand, is an online retailer of  
7 automotive parts. While both parties primarily conduct their business in cyberspace,  
8 their deliverables overlap so tangentially that it cannot be said that the parties are  
9 competitors in any meaningful sense. Accordingly, this factor favors Defendant.

10 *E. Balancing of All Laches Considerations*

11 In sum, the Court has found that there is a presumption of laches, given that  
12 Plaintiff filed suit after all applicable statutes of limitations had run. The Court has also  
13 found that the *Jarrow* test favors applying laches, as Plaintiff unreasonably delayed in  
14 asserting its rights and that delay resulted in expectations-based prejudice to Defendant.  
15 Lastly, as to the *E-Systems* factors, the Court has found that the Parts.com mark is  
16 neither strong nor valuable and that the parties are not competitors. However, the Court  
17 has also found that Plaintiff likely will be harmed if the Court denies relief. The fourth  
18 factor, concerning good-faith ignorance, was neutral. Thus, when also taking into  
19 consideration the two factors comprising the *Jarrow* test, the *E-Systems* factors also  
20 support a laches defense. Despite the general hesitancy to apply laches at the dismissal  
21 stage, the presumption, the *Jarrow* test, and the *E-Systems* factors all suggest that  
22 Plaintiff's claims are barred by laches. Accordingly, the Court finds that laches applies  
23 and **GRANTS** Defendant's MTD as to the Complaint in its entirety.

24 **II. Communications Decency Act (CDA) Immunity**

25 The CDA provides a limited form of immunity to certain Internet related entities:  
26 "No provider or user of an interactive computer service shall be treated as the publisher  
27 or speaker of any information provided by another information content provider." 47  
28 U.S.C. § 230(c)(1). The CDA defines an "information content provider" as "any person

1 or entity that is responsible, in whole or in part, for the creation or development of  
2 information provided through the Internet or any other interactive computer service.”  
3 *Id.* § 230(f)(3). The CDA defines an “interactive computer service” as “any  
4 information service, system, or access software provider that provides or enables  
5 computer access by multiple users to a computer server.” *Id.* § 230(f)(2).

6 The Ninth Circuit has interpreted the CDA’s immunity for interactive computer  
7 services broadly, holding that the CDA bars state law intellectual property claims.  
8 *Perfect 10, Inc. v. CCBill LLC*, 488 F.3d 1102, 1118 (9th Cir. 2007); *see also Evans v.*  
9 *Hewlett-Packard Co.*, No. C 13-02477 WHA, 2013 WL 5594717, at \*2 (N.D. Cal Oct.  
10 10, 2013) (citing *Perfect 10*, 488 F.3d at 1118) (“Section 230 of the CDA bars state law  
11 claims against internet service providers based on content provided by a third party.”);  
12 *Jurin*, 695 F. Supp. 2d at 1122 (“The CDA provides complete immunity to any provider  
13 or user of an interactive computer service from liability premised on information  
14 provided by another content provider.”). Courts have held a wide array of state law  
15 claims to fall within the CDA’s immunity if they “are predicated on the same conduct  
16 as [the] state law intellectual property claims: the conduct of the content providers.”  
17 *Evans*, 2013 WL 5594717, at \*2 (unfair competition, trademark law, right of publicity,  
18 emotional distress); *Jurin*, 695 F. Supp. 2d at 1122 (negligent and intentional  
19 interference with contractual relations, fraud, unjust enrichment).

20 Notably, in *Jurin* the Eastern District of California held that Defendant is an  
21 interactive computer service entitled to CDA immunity in addressing a similar  
22 challenge to Defendant’s keyword advertising program. 695 F. Supp. 2d at 1122–23.  
23 Plaintiff argues that the dismissal stage is too early to apply CDA immunity, as facts  
24 may yet surface showing that Defendant provides advertisement content. (Resp. in  
25 Opp’n 17, ECF No. 11.) Plaintiff fails to note, however, that *Jurin*, too, was decided  
26 on a motion to dismiss. *See* 695 F. Supp. 2d at 1119, 1122–23.

27 The Court finds *Jurin* to be highly persuasive. Plaintiff’s Complaint is devoid  
28 of allegations that Defendant in any way creates advertising content. Thus, the Court



1 finds that Defendant is instead an interactive computer service entitled to CDA  
2 immunity. Accordingly, Plaintiff's state law claims must fail, and the Court **GRANTS**  
3 Defendant's MTD with regard to Plaintiff's state law trademark infringement, unfair  
4 and deceptive trade practices, and trademark dilution claims. Further, because these  
5 claims are barred by the CDA, amendment would be futile, and therefore Plaintiff's  
6 state law claims are **DISMISSED WITH PREJUDICE**. *See Desoto*, 957 F.2d at 658.

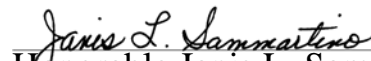
### 7 **CONCLUSION**

8 In light of the foregoing, the Court **GRANTS** Defendant's Motion to Dismiss in  
9 its entirety. Dismissal of claims 1, 2, and 5 is **WITHOUT PREJUDICE**. Because the  
10 laches determination was exceedingly close, and because the appropriateness of laches  
11 is such a fact-specific inquiry, it is possible that Plaintiff may be able to allege  
12 additional facts sufficient to plead plausible claims to rebut this finding. Dismissal of  
13 claims 3, 4, and 6, however, is **WITH PREJUDICE**.

14 If Plaintiff wishes, it **SHALL FILE** an amended complaint within fourteen days  
15 of the date on which this Order is electronically docketed. Failure to file an amended  
16 complaint by this date may result in dismissal of this case with prejudice.

17 **IT IS SO ORDERED.**

18 DATED: December 4, 2013

19   
20 Honorable Janis L. Sammartino  
21 United States District Judge  
22  
23  
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28